



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAR 24 2000

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By [Signature]

Time 10:33 am

Date 3-27-00

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 95 (COR), "AN ACT TO ADD §§76222, 76223 AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATORS AND OTHER TOURIST-RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR ATTRACTIONS, LODGING, AMUSEMENT AND SERVICES RENDERED TO TOURISTS AND OTHER VISITORS", which I have signed into law today as Public Law No. 25-109.

This legislation mandates that the Tour Operators and other tourist-related businesses which sell tours, lodging, amusements, and services to publish the rates that they charge on their premises. While licensing of Tour Operators is done through the Guam Visitors Bureau, this legislation places the enforcement of publishing rates under the Department of Revenue and Taxation. No funding is provided for monitoring this program.

While a good idea, and beneficial to our visitor industry, the better place to monitor posting of rates is through the Guam Visitors Bureau.

Very truly yours,

Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill


00836

cc: The Honorable A.R. Unpingco
Speaker

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 95 (COR) "AN ACT TO ADD §§76222, 76223 AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATORS AND OTHER TOURIST-RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR ATTRACTIONS, LODGING, AMUSEMENT AND SERVICES RENDERED TO TOURISTS AND OTHER VISITORS," was on the 9th day of March 2000, duly and regularly passed.



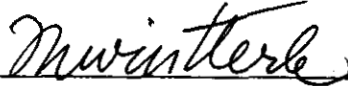
ANTONIO R. UNPINGCO
Speaker

Attested



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 13th day of March, 2000,
at 4:45 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 3-24-00

Public Law No. 25-109

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 95 (COR)

As substituted by the Committee
on Tourism, Economic Development
and Parks and as amended on the Floor.

Introduced by:

A. C. Lamorena, V
C. A. Leon Guerrero
J. M.S. Brown
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
K. S. Moylan
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II
A. R. Unpingco

**AN ACT TO ADD §§76222, 76223 AND 76224 TO
TITLE 11 OF THE GUAM CODE ANNOTATED,
RELATIVE TO REQUIRING TOUR OPERATORS
AND OTHER TOURIST-RELATED BUSINESSES TO
PUBLISH THE RATE CHARGES FOR
ATTRACTIONS, LODGING, AMUSEMENT AND
SERVICES RENDERED TO TOURISTS AND OTHER
VISITORS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that some
3 individuals and businesses engaged in the offer and sale of tour
4 accommodations, lodging, amusement and services to tourists employed
5 undesirable business practices. *If* these practices are allowed to continue
6 without imposing any regulatory measures, it will create a negative impact
7 and bad reputation for Guam as a tourist destination. *I Liheslaturan Guåhan*
8 further finds it necessary in order to create an atmosphere of confidence and
9 trust upon tourists who come to Guam to enjoy the uniqueness of the natural
10 beauty that Guam offers to require individuals/businesses engaged as tour
11 operators and other tourist-related businesses, to publish the highest
12 rack/tourist rate for attractions, lodging, amusement and services in a
13 schedule to be provided tourists and a copy thereof to be posted in a visible
14 area at the location in which the attraction, lodging, amusement or service
15 takes place.

16 **Section 2.** Section 76222 is hereby *added* to Article 2, Chapter 76,
17 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

18 **“Section 76222. Requirement of Publication of Rate Schedule.**

19 It is unlawful for any Tour Operators, and other tourist-related
20 businesses engaged in the sale of tour accommodations, lodging,
21 amusements and services to:

- 22 (1) fail to publish and post the highest rack/tourist rate
23 schedule of tour attractions, lodging, amusements and services in
24 the place where the attraction, lodging, amusement or service is

1 conducted;

2 (2) make any untrue statement of material fact or to omit
3 to state a material fact necessary in order to make the tourist
4 aware of the cost of such accommodations, lodging, amusements
5 or services; *and*

6 (3) engage in any act, practice or course of business which
7 operates, or would operate, as a fraud or deceit upon any person.”

8 **Section 3.** Section 76223 is hereby *added* to Article 2, Chapter 76,
9 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

10 **“Section 76223. Department of Revenue and Taxation to**
11 **Administer.** The Department of Revenue and Taxation is
12 authorized to administer the implementation of the highest rack/tourist
13 rate schedule required to be published pursuant to this Act.”

14 **Section 4.** Section 76224 is hereby *added* to Article 2, Chapter 76,
15 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

16 **“Section 76224. Violations.**

17 (a) The Department of Revenue and Taxation may, after
18 proceeding in accordance with the Administrative Adjudication
19 Act, order the suspension of the license of any tour operator and
20 other tourist-related businesses of any such license for a period *not*
21 *to exceed* six (6) months, for violation by the tour operator, and
22 other tourist-related businesses of this Act.

23 (b) In addition to the penalty which may be imposed
24 pursuant to Subsection (a) of this Section, the Department of

1 Revenue and Taxation shall impose a fine of *no less than* Five
2 Hundred Dollars (\$500.00) for the first offense, and the fines for
3 subsequent offenses shall *not* exceed One Thousand Dollars
4 (\$1,000.00).

5 (c) The revenues derived from fines collected under this
6 Section shall be transferred to Guam Visitors Bureau for
7 tourist/community-related programs."

8 **Section 5. Effective Date.** This Act shall become effective within sixty
9 (60) days after enactment into law.

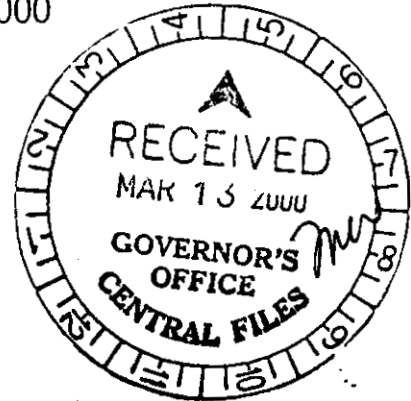
10 **Section 6. Severability.** *If* any provision of this Law or its
11 application to any person or circumstance is found to be invalid or contrary to
12 law, such invalidity shall *not* affect other provisions or applications of this
13 Law which can be given effect without the invalid provisions or applications
14 and to this end the provisions of this Law are severable.

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910



March 13, 2000

The Honorable Carl T.C. Gutierrez
I Maga'lahen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910



Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Bill Nos. 69(COR) and 378(COR) and Substitute Bill Nos. 95(COR), 216(COR) and 350(LS) which were passed by *I Mina'Bente Singko Na Liheslaturan Guåhan* on March 9, 2000.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joanne M.S. Brown".

JOANNE M.S. BROWN
Senator and Legislative Secretary

Enclosure (5)

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 95 (COR)

As substituted by the Committee
on Tourism, Economic Development
and Parks and as amended on the Floor.

Introduced by:

A. C. Lamorena, V
C. A. Leon Guerrero
J. M.S. Brown
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
K. S. Moylan
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II
A. R. Unpingco

**AN ACT TO ADD §§76222, 76223 AND 76224 TO
TITLE 11 OF THE GUAM CODE ANNOTATED,
RELATIVE TO REQUIRING TOUR OPERATORS
AND OTHER TOURIST-RELATED BUSINESSES TO
PUBLISH THE RATE CHARGES FOR
ATTRACTIONS, LODGING, AMUSEMENT AND
SERVICES RENDERED TO TOURISTS AND OTHER
VISITORS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that some
3 individuals and businesses engaged in the offer and sale of tour
4 accommodations, lodging, amusement and services to tourists employed
5 undesirable business practices. *If* these practices are allowed to continue
6 without imposing any regulatory measures, it will create a negative impact
7 and bad reputation for Guam as a tourist destination. *I Liheslaturan Guåhan*
8 further finds it necessary in order to create an atmosphere of confidence and
9 trust upon tourists who come to Guam to enjoy the uniqueness of the natural
10 beauty that Guam offers to require individuals/businesses engaged as tour
11 operators and other tourist-related businesses, to publish the highest
12 rack/tourist rate for attractions, lodging, amusement and services in a
13 schedule to be provided tourists and a copy thereof to be posted in a visible
14 area at the location in which the attraction, lodging, amusement or service
15 takes place.

16 **Section 2.** Section 76222 is hereby *added* to Article 2, Chapter 76,
17 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

18 **"Section 76222. Requirement of Publication of Rate Schedule.**

19 It is unlawful for any Tour Operators, and other tourist-related
20 businesses engaged in the sale of tour accommodations, lodging,
21 amusements and services to:

- 22 (1) fail to publish and post the highest rack/tourist rate
23 schedule of tour attractions, lodging, amusements and services in
24 the place where the attraction, lodging, amusement or service is

1 conducted;

2 (2) make any untrue statement of material fact or to omit
3 to state a material fact necessary in order to make the tourist
4 aware of the cost of such accommodations, lodging, amusements
5 or services; *and*

6 (3) engage in any act, practice or course of business which
7 operates, or would operate, as a fraud or deceit upon any person.”

8 **Section 3.** Section 76223 is hereby *added* to Article 2, Chapter 76,
9 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

10 **“Section 76223. Department of Revenue and Taxation to**
11 **Administer.** The Department of Revenue and Taxation is
12 authorized to administer the implementation of the highest rack/tourist
13 rate schedule required to be published pursuant to this Act.”

14 **Section 4.** Section 76224 is hereby *added* to Article 2, Chapter 76,
15 Division 3 of Title 11 of the Guam Code Annotated to read as follows:

16 **“Section 76224. Violations.**

17 (a) The Department of Revenue and Taxation may, after
18 proceeding in accordance with the Administrative Adjudication
19 Act, order the suspension of the license of any tour operator and
20 other tourist-related businesses of any such license for a period *not*
21 *to exceed* six (6) months, for violation by the tour operator, and
22 other tourist-related businesses of this Act.

23 (b) In addition to the penalty which may be imposed
24 pursuant to Subsection (a) of this Section, the Department of

CLERK OF THE LEGISLATURE
TRANSMISSION CHECKLIST TO I MAGA 'LAHEN GUAHAN

(Included in File w/ All Bills Transmitted)

BILL NO. 95 (CAF)

FINAL PROOF-READING OF BLUEBACK COPY

Initialed by:

and Date:

- EXHIBITS ATTACHED
- CONFIRM NUMBER OF PAGES 4
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGN "*" REMOVED FROM BILL
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any

Confirmed By: _____

Dated: _____

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)
TO THE GOVERNOR. (DANNY, ROBERT OR OTHERS)
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK
PLACED ON CLERK'S DESK. (Same copy given to Susan)
- FILED by: Danny, Robert or others

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 95 (COR) "AN ACT TO ADD §§76222, 76223 AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATORS AND OTHER TOURIST-RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR ATTRACTIONS, LODGING, AMUSEMENT AND SERVICES RENDERED TO TOURISTS AND OTHER VISITORS," was on the 9th day of March 2000, duly and regularly passed.

ANTONIO R. UNPINGCO
Speaker

Attested:

JOANNE M.S. BROWN
Senator and Legislative Secretary

.....
This Act was received by *I Maga'lahaen Guahan* this _____ day of _____, 2000,
at _____ o'clock _____M.

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____



Assistant Staff Officer
Maga'lahaen's Office

Office of the Speaker
ANTONIO R. UNPINGCO

Date: 03-13-00

Time: 1035

Rec'd by: _____

Print Name: Antonio R. Unpingco

6

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

2000 (SECOND) Regular Session

Date: 3/9/00

VOTING SHEET

S Bill No. 95 (COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.	✓				
BLAZ, Anthony C.					✓
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL 14 0 0 0 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



**FILE
COPY**

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

February 16, 2000

(DATE)

Memorandum

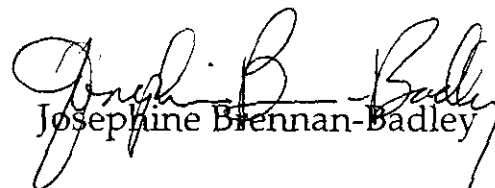
To: Senator ALBERTO C. BAMORENA

From: Clerk of the Legislature


Subject: Report on Bill No. 95 (COR)

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 95 (COR), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.


Josephine Brennan-Badley

Attachment


11:15 am
2/16/00



Ufisina Para I Minaolek Guåhan

Senator Alberto "Tony" Cristobal Lamorena V

Mina Bente Singko Na Liheslaturan Guåhan
(Twenty-Fifth Guam Legislature)



February 11, 2000

The Honorable Antonio R. Unpingco
Speaker
I Mina Bente Singko Na Liheslaturan Guåhan
155 Hesler St.
Hagåtña, Guam 96932

Dear Mr. Speaker,

The Committee on Tourism, Economic Development and Parks, to which was referred *Bill No. 95, An Act to Add Sections 76222, 76223 And 76224 to Title 11 of The Guam Code Annotated, Relative to Requiring Tour Operators And Other Tourist Related Businesses to Publish The Rate Charges For Attractions, Amusement And Services Rendered to Tourist And Other Visitors in a Schedule to Be Posted in The Place of Their Business*, has had the same under consideration, and now wishes to report back the same with the recommendation *To Do Pass, as Substituted by the Committee*.

The Committee votes are as follows:

To Pass	<u>7</u>
Not To Pass	<u>-0-</u>
Abstain	<u>-0-</u>
Inactive File	<u>-0-</u>

A copy of the Committee Report and all pertinent documents are attached for your information and file.

Sincerely,

ALBERTO C. LAMORENA, V

attachments



Senator Alberto "Tony" Cristobal Lamorena V

Chairman

COMMITTEE ON TOURISM, ECONOMIC DEVELOPMENT AND PARKS

Mina' Bente Singko Na Liheslaturan Guahan
(Twenty-Fifth Guam Legislature)

VOTING SHEET ON
BILL NO. 95

AN ACT TO ADD SECTIONS 76222, 76223 AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATORS AND OTHER TOURIST RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR ACCOMMODATIONS, AMUSEMENT AND SERVICES RENDERED TO TOURIST AND OTHER VISITORS IN A SCHEDULE TO BE POSTED IN THE PLACE OF THEIR BUSINESS.



RECOMMENDATION TO

Committee Members	Signature	To pass	Not to pass	Abstain	Place in Inactive File
Senator Alberto "Tony" Lamorena Chairperson		✓			
Senator Joanne Brown Vice Chairperson		✓			
Speaker Antonio Unpingco		✓			
Senator Anthony Blaz					
Senator Mark Forbes		✓			
Senator Carlotta Leon Guerrero		✓			
Senator Kaleo Moylan					
Senator John Salas		✓			
Senator Simon Sanchez II		✓			
Senator Frank Aguon, Jr.					
TOTAL VOTES:		7	-0-	-0-	-0-

MINA BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 95 (COR)
as substituted by the Committee on Tourism,
Economic Development and Parks

Introduced by:

A.C. Lamorena, V

AN ACT TO ADD SECTIONS 76222, 76223 AND 76224 TO TITLE
11 OF THE GUAM CODE ANNOTATED, RELATIVE TO
REQUIRING TOUR OPERATORS AND OTHER TOURIST
RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR
ATTRACTIONS, AMUSEMENT AND SERVICES RENDERED TO
TOURIST AND OTHER VISITORS IN A SCHEDULE TO BE
POSTED IN THE PLACE OF THEIR BUSINESS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative findings. *I Liheslaturan Guåhan* finds that some individuals and businesses engaged in the offer and sale of tour accommodations, amusement, and services to tourists employed undesirable business practices. If these practices are allowed to continue without imposing any regulatory measures, it will create a negative impact and bad reputation for Guam as a tourist destination. The Legislature further finds it necessary in order to create an atmosphere of confidence and trust upon tourists who come to Guam to enjoy the uniqueness of the natural beauty, that Guam offers to require individuals/businesses engaged as tour operators and other tourist related businesses, to publish the highest rack/tourist rate for attractions, amusement and services in a schedule to be provided tourists and a copy thereof to be posted in a visible area at the location in which the attraction, amusement, or service

1 takes place.

2 **Section 2. A new §76222 is added to Title 11 of the Guam Code Annotated**
3 **to read:**

4 **“§76222. Requirement of Publication of Rate Schedule.** It is
5 unlawful for any Tour Operators, and other tourist related businesses engaged
6 in the sale of tour accommodations, amusements and services to:

7 (1) fail to publish and post the highest rack/tourist rate schedule
8 of tour attractions, amusements and services in the place where the
9 attraction, amusement or service is conducted;

10 (2) make any untrue statement of material fact or to omit to state
11 a material fact necessary in order to make the tourist aware of the
12 cost of such accommodations, amusements or services; and

13 (3) engage in any act, practice, or course of business which
14 operates, or would operate, as a fraud or deceit upon any person.”

15 **Section 3. A new Section 76223 is added to Title 11 of the Guam Code**
16 **Annotated to read:**

17 **“§76223. Department of Revenue and Taxation to Administer.** The
18 Department of Revenue and Taxation is authorized to administer the
19 implementation of the highest rack/tourist rate schedule required to be published
20 pursuant to this Act.”

21 **Section 4. A new Section 76224 is added to Title 11 of the Guam Code**
22 **Annotated, to read:**

23 **“§76224. Violations.**

24 (a) The Department of Revenue and Taxation may, after
25 proceeding in accordance with the Administrative Adjudication

1 Act, order the suspension of the license of any tour operator and
2 other tourist related businesses of any such license for a period not
3 to exceed six (6) months, for violation by the tour operator, and
4 other tourist related businesses of this Act.

5 (b) In addition to the penalty which may be imposed pursuant to
6 subsection (a) of this section, the Department of Revenue and
7 Taxation shall impose a fine of no less than Five Hundred Dollars
8 (\$500.00) for the first offense and the fines for subsequent offenses
9 shall not exceed One Thousand Dollars (\$1,000.00).

10 (c) The revenues derived from fines collected under this section
11 shall be transferred to GVB for tourist/community related
12 programs.”

13 **Section 5. Effective Date.** This Act shall become effective within sixty (60)
14 days after enactment into law.

15 **Section 6. Severability.** If any provision of this Law or its application to any
16 person or circumstance is found to be invalid or contrary to law, such invalidity shall
17 not affect other provisions or application s of this Law which can be given effect
18 without the invalid provisions or applications and to this end the provisions of this Law
19 are severable.

**COMMITTEE ON TOURISM,
ECONOMIC DEVELOPMENT AND PARKS**
Mina Bente Singko Na Liheslaturan Guåhan
155 Hesler Street Hagåtña, Guam 96932

COMMITTEE REPORT

ON

BILL NO. 95

An Act to Add Sections 76222, 76223 And 76224 to Title 11 of The Guam Code Annotated, Relative to Requiring Tour Operators And Other Tourist Related Businesses to Publish The Rate Charges For Attractions, Amusement And Services Rendered to Tourist And Other Visitors in a Schedule to Be Posted in The Place of Their Business.

COMMITTEE MEMBERS

Chairman: Senator Alberto C. Lamorena, V

Vice Chairperson: Senator Joanne M.S. Brown

Senator Anthony C. Blaz

Senator Kaleo S. Moylan

Senator Mark Forbes

Senator Simon A. Sanchez, II

Senator Carlotta A. Leon Guerrero

Senator John C. Salas

Senator Frank B. Aguon, Jr.

**COMMITTEE REPORT
ON
BILL NO. 95**

**An Act to Add Sections 76222, 76223 And 76224 to Title 11 of The
Guam Code Annotated, Relative to Requiring Tour Operators And
Other Tourist Related Businesses to Publish The Rate Charges For
Attractions, Amusement And Services Rendered to Tourist And
Other Visitors in a Schedule to Be Posted in The Place of Their
Business.**

INTRODUCTION

The Committee on Tourism, Economic Development and Parks conducted a Public Hearing 9:39 a.m. Monday, July 26, 1999 in the Public Hearing Room of the Guam Legislature Temporary Bldg. in Hagåtña.

Committee Members Present: Senator Alberto C. Lamorena, V., Chairman
Senator Carlotta Leon Guerrero

Other Senators Present: Senator Marcel G. Camacho
Senator Eddie Calvo

Witnesses: Dave Tydingco, President
Guam Hotel and Restaurant Association
James E. Nelson, III, General Manager
Guam Visitors Bureau
Joseph Duenas, Director
Department of Revenue and Taxation
Jesse Lujan, Operations Manager
Tarza Magical Adventure Zone
Akiji Ono, President
Japan Guam Travel Association

SUMMARY OF TESTIMONY

Dave Tydingco, President of the Guam Hotel and Restaurant Association, provided oral and written testimony in favor of Bill No. 95. He states that Bill 95 concerns those situations in which guests discover that they have paid for an attraction through third party operators, when they would have paid a lesser price by purchasing tickets directly through the box office of the optional tour company. Mr. Tydingco further testifies that these situations create an unfavorable image of Guam and may be detrimental to the Tourism Industry as a whole.

Mr. Tydingco proposes that a list of violators under the provisions of the proposed legislation be provided to the Guam Visitors Bureau and the Guam Hotel and Restaurant Association for disclosure to its members. This would discourage members of both organizations from conducting business with those in violation of the proposed law.

James E. Nelson, III, General Manager for the Guam Visitors Bureau, also provided oral and written testimony in favor of Bill No. 95. Mr. Nelson states that this proposed legislation addresses concerns that have been a central focus for the Tourism Industry over the past several years, especially in the Korean market. He testifies that this legislation is timely in that because the Industry has worked diligently in recent months to regain our position in the Korean market, we must take measure to maintain this share in the market.

Prior to the introduction of Bill 95, Mr. Nelson reports that several tour companies have already begun to post a schedule of rack rates for their product(s). On behalf of the Guam Visitors Bureau, he commends this effort to promote honest business practices within the Tourism Industry.

Joseph Duenas, Director for Department of Revenue and Taxation, provided testimony on Bill 95. Mr. Duenas stated that he supported the intent of Bill 95, however, the role of the Department of Revenue and Taxation, in accordance with the provisions of this proposed legislation necessitates additional duties for its personnel but with no increase in funding level. Mr. Duenas expressed concern with regard to the fact that the Department of Revenue and Taxation would be responsible for the administration of a rate schedule in addition to the monitoring of any violations and the imposition of applicable fees. It is his contention that Rev and Tax has neither the resources nor the funding for this additional responsibility.

Jesse Lujan, Operations Manager for Tarza Magical Adventure Zone, submitted written testimony with regard to his support of Bill 95. Mr. Lujan's primary concern is the current practice of providing *local* (discounted) rates to island residents. He

believes that the posting of a rate schedule will appear to be discriminatory against our visitors. Thus, as per his testimony, Mr. Lujan suggest publishing the *highest rack rate and tourist rate*.

Akiji Ono, President of the Japan Guam Travel Association, submitted written testimony on behalf of the members in the Japan Guam Travel Association (JGTA). Although he states that they support the intent of Bill 95, they have reservations with regard to the implementation of such legislation. He explains that to have each and every tour operator post their prices would be a daunting task. He states that to list all the prices of all attractions would encompass too much *wall space* at the operator's place of business. Mr. Ono claims that the pricing system is complex and utilizes a specified structure within the Japanese market. Furthermore, Japanese visitors who utilize the services of the operators are provided already with a price list/brochure, and /or have prior knowledge about general pricing information via the Internet, brochures from their travel agents and/or flyers.

For this reason, Mr. Ono suggest that the legislation be amended to state that the *highest* possible prices for attractions and services be placed at the place in which the activity takes place (ie: Sand Castle Dinner Show).

There being no other witnesses, the Chairman then announced that the Public Hearing on Bill No. 95 has been duly publicly heard.

COMMITTEE FINDINGS

The Committee finds that because some businesses and individuals within the Tourism Industry employ undesirable business practices, it is essential to impose certain regulatory measures to curtail any damaging effects such practices may have on Guam as a tourist destination. For this reason, it is necessary to convey an atmosphere of confidence and trust upon tourist who come to Guam to enjoy all that our island has to offer by requiring businesses and individuals engaged as tour operators and other tourist related businesses to publish the rate(s) for accommodations, amusements and services in a schedule to be posted in their place of business. In addition, due consideration must be given to the concerns raised by Mr. Joey Duenas. The process by which the rate schedule is constructed, violations are monitored, and fees are levied requires reassessment.

COMMITTEE RECOMMENDATIONS

The Committee on Tourism, Economic Development and Parks hereby reports out Bill No. 95 to *I Mina' Bente Singko Na Liheslaturan Guåhan* with the recommendation *To Do Pass, as Substituted by the Committee.*

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MINA BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session
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Bill No. 95 c/c

Introduced by:

A.C. Lamorena, 

AN ACT TO ADD SECTIONS 76222, 76223 AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATORS AND OTHER TOURIST RELATED BUSINESSES TO PUBLISH THE RATE CHARGES FOR ACCOMMODATIONS, AMUSEMENT AND SERVICES RENDERED TO TOURIST AND OTHER VISITORS IN A SCHEDULE TO BE POSTED IN THE PLACE OF THEIR BUSINESS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative findings. The Legislature finds that some individuals and businesses engaged in the offer and sale of tour accommodations, amusement, and services to tourists employed undesirable business practices. If these practices are allowed to continue without imposing any regulatory measures, it will create a negative impact and bad reputation for Guam as a tourist destination. The Legislature further finds it necessary in order to create an atmosphere of confidence and trust upon tourists who come to Guam to enjoy the uniqueness of the natural beauty, that Guam offers to require individuals/businesses engaged as tour operators and other tourist related businesses, to publish the rate for accommodations, amusements and services in a schedule to be provided tourists and a copy thereof to be posted on their place of business.

Section 2. A new §76222 is added to Title 11 of the Guam Code Annotated

1 to read:

2 “§76222. Requirement of Publication of Rate Schedule. It is
3 unlawful for any Tour Operators, and other tourist related businesses engaged
4 in the sale of tour accommodations, amusements and services to:

5 (1) fail to publish and post the rate schedule of tour
6 accommodations, amusements and services in the place where the
7 business is conducted;

8 (2) make any untrue statement of material fact or to omit to state
9 a material fact necessary in order to make the tourist aware of the cost of
10 such accommodations, amusements or services; and

11 (3) engage in any act, practice, or course of business which
12 operates, or would operate, as a fraud or deceit upon any person.”

13 Section 3. A new Section 76223 is added to Title 11 of the Guam Code

14 Annotated to read:

15 “§76223. Department of Revenue and Taxation to Administer. The
16 Department of Revenue and Taxation is authorized to administer the
17 implementation of the rate schedule required to be published pursuant to this
18 Act.”

19 Section 4. A new Section 76224 is added to Title 11 of the Guam Code

20 Annotated, to read:

21 “§76224. Violations.

22 (a) The Department of Revenue and Taxation may, after
23 proceeding in accordance with the Administrative Adjudication Act, order
24 the suspension of the license of any tour operator and other tourist related
25 businesses of any such license for a period not to exceed six (6) months,

1 for violation by the tour operator, and other tourist related businesses of
2 this Act.

3 (b) In addition to the penalty which may be imposed pursuant to
4 subsection (a) of this section, the Department of Revenue and Taxation
5 shall impose a fine of no less than Five Hundred Dollars (\$500.00) for the
6 first offense and the fines for subsequent offenses shall not exceed One
7 Thousand Dollars (\$1,000.00).

8 (c) The revenues derived from fines collected under this section
9 shall be transferred to GVB for tourist/community related programs.”

10 **Section 5. Effective Date.** This act shall become effective within sixty (60)
11 days after enactment into law.



GUAM HOTEL & RESTAURANT ASSOCIATION

SUITE 106 HENGI PLAZA • P. O. BOX 8565 • TAMUNING, GUAM 96931 • TEL: 671 649 1447 • FAX: 671 649 8565
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July 26, 1999

Honorable Alberto "Tony" Lamorena V
Chairman
Committee on Tourism, Economic Development and Parks
Mina' Bente Sinku Na Liheslaturan Guahan
Suite 314, Union Bank Building
194 Hernan Cortez Avenue
Hagatna, Guam 96910

Re: Bill No. 95 – An Act relative to Requiring Tour Operators and Other Tourist Related Businesses to Publish the Rate Charges for Accommodations,

Hafa Adai Mr. Chairman, Members of the Committee:

My name is David B. Tydingco, President of the Guam Hotel & Restaurant Association, and I am here to testify in support of Bill No. 95.

At the present time, Guam's InnKeepers Law requires hotels to post their accommodation rates in a conspicuous area. These rates are typically posted in the rooms of hotels for guests to read. Therefore, to require hoteliers to publish these rates may be redundant. With regard to tour operators, a majority of the guests coming to Guam from our major markets buy packages, which, at the very minimum, is inclusive of airfare and accommodations.

With respect to restaurants, the prices for meals are included in a menu, and therefore this legislation should not impact our restaurant industry.

The main concern of our visitor industry, based on passed experience, is related to local land operators charging more than the "rack rate" for optional tours. The "rack rate" is typically the fee charged to walk-in customers. In the past, it has been Guam's experience that some local ground operators would charge anywhere between 25% to 50% more than the rack rate, even though the same land operators would buy the optional tour at a substantial discount from the optional tours. This situation has created problems in the past when guests would find out that they paid more for the optional tour through the land operator rather than simply walking up to the box office of the optional tour and purchasing it directly.

Therefore, the Guam Hotel & Restaurant supports the intent of Bill No. 95 which requires tourist related businesses, primarily optional tours, to post their rates in a conspicuous area for guests to easily see and read.



**Testimony of
James E. Nelson III, General Manager
Guam Visitors Bureau
on Bill No. 95
Monday, July 26, 1999**

Håfa Adai Chairman Lamorena and members of the Committee on Tourism, Economic Development and Parks. Thank you for the opportunity to present testimony on Bill No. 95: An Act to Add Sections 76222, 76223 and 76224 to Title 11 of the Guam Code Annotated, Relative to Requiring Tour Operators and Other Related Businesses to Publish the Rate Charges for Accommodations, Amusement and Services Rendered to Tourist and Other Visitors in a Schedule to Be Posted in the Place of Their Business.

First of all, I extend my thanks to you, Mr. Chairman, for introducing Bill No. 95. As you are well aware, discussion on this subject has been ongoing for a number of years now. The underlying reason for it all is the negative impact that Guam's tourism industry received a few years ago, especially in the Korean market.

Prior the unfortunate Korean Air crash, Guam's image in Korea was an affordable place to go, but very expensive once you get here. Those of us in the tourism industry were very concerned and gathered information that led us to believe that there were several land operators who were pricing optional tours at well over 200%, and in some cases 300%. At the time, Mr. Chairman, Guam was not an isolated incident. My counterparts in Hawaii and Australia also voiced the same concern in there respective destinations. This condition still exist at these destinations.


Immediately after the Korean Air crash, what became evident was that those land operators who delved in such unethical practices, for all intents and purposes, disappeared.

Mr. Chairman, we have spent an enormous amount of time and money to rebuild the Korean market to a point where the market is practically doubling in size. We foresee the Korean market reaching its pre-crash numbers of close to 200,000 visitors in the next 18 to 24 months. Bill No. 95 could not have come at a better time.



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8/2/99 LNU

To: Senator Alberto "Tony" C. Lamorena V

From: Jesse Lujan 
Operations Manager

Date: August 2, 1999

Re: Addendum to Bill No. 95

Hafa Adai Senator,

Currently the majority if not all optional tours have incorporated local incentive rates along side tourist rates. As you can imagine requiring all rates to be posted might be seen as discriminatory against tourist. So as per our conversation Thursday evening, please allow me to suggest the following to be added to proposed Bill No. 95.

AN ACT TO ADD SECTIONS 76222, 76223, AND 76224 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING TOUR OPERATIONS AND OTHER TOURIST RELATED BUSINESSES TO PUBLISH THE (HIGHEST RACK/TOURIST) RATE CHARGES FOR ACCOMMODATIONS, AMUSEMENT AND SERVICES RENDERED TO TOURIST AND OTHER VISITORS IN A SCHEDULE TO BE POSTED IN THE PLACE OF THEIR BUSINESS.

Section 1

Line 10 businesses, to publish the (highest rack/tourist) rate for accommodations, amusements and services in a

Section 2

Line 5 (1) fail to publish and post the (highest rack/tourist) rate schedule of tour

Section 3

Line 17 implementation of the (highest rack/tourist)rate schedule required to be published pursuant to this

() highlighted denotes addendums

Si Yu'us Ma'ase.

JGTA

JAPAN GUAM TRAVEL ASSOCIATION

Senator Alberto "Tony" Cristobal Lamorana V
Chairman, Tourism Economic Development & Parks
Twenty-Fifth Guam Legislature
Suite 314, Union Bank Building
194 Herman Cortez Avenue
Hagana, Guam 96932

August 27, 1999

Subject: **BILL 95**

9. 7. 99/MJ

Dear Senator Lamorana,


Thank you for the opportunity to comment on your proposed Bill 95, scheduled for legislative hearing next week.

Although we support the intent of the proposed legislation we are against the implementation aspect of Bill 95. The main reason is the complexity and the structure of pricing that currently exist in the Japanese tour market. To display the various tours and their respective prices will take up an immense amount of wall space at each of the already overcrowded tour desks, located in the hotel lobbies. Additionally, all the Japanese visitors who participate in optional tour activities have been provided a booklet (menu) that provides in detail the cost of the tours. The Japanese tourist also has access to pricing prior to their arrival on Guam via both the Internet and through Japan based Retailers and Wholesalers manuals and flyers.

One solution that has been offered would be to publish the rates at the place where the optional tour activity is being conducted. An example would be, if a tourist purchased a ticket for the Sandcastle Dinner Show, when they arrived at the Sandcastle they would have the opportunity to see the published rate. Another comment deals with the various prices that are offered. Optional tour sales are incentive driven on Guam and the pricing is proprietary information from one tour agent to another. We would recommend that in the event the law be passed that only the highest price of a tour is published.

As the intent of Bill 95 is to protect tourist from price gouging by unscrupulous tour operators we believe the above course of action would provide that protection. Should you require any additional information I am available at your convenience.

Sincerely,




Akiji Ono
President

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MINA BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

Bill No. 95 (COR)

Introduced by:

A.C. Lamorena, 

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